

AMENDED IN SENATE JUNE 22, 2010

AMENDED IN ASSEMBLY APRIL 8, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2779

Introduced by ~~Committee on Insurance (Solorio (Chair), Bradford, Carter, Feuer, Hayashi, Nava, and Torres)~~ Assembly Member Solorio

March 3, 2010

~~An act to amend Section 11629.79 of the Insurance Code, relating to automobile insurance. An act to add Section 5307.13 to the Labor Code, relating to workers' compensation.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2779, as amended, ~~Committee on Insurance Solorio. California Automobile Assigned Risk Plan. Workers' compensation: compound medication.~~

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of his or her employment. Existing law requires the administrative director, on or before December 1, 2004, to adopt, after public hearings, a medical treatment utilization schedule, as specified.

This bill would provide that, until the administrative director adopts medical treatment utilization guidelines governing compound medication, a compound medication shall be covered only if there is prior authorization for it as medically necessary, as specified.

~~Existing law provides for an assigned risk plan for automobile insurance.~~

~~This bill would delete obsolete provisions relating to adoption of emergency regulations.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5307.13 is added to the Labor Code, to
2 read:

3 5307.13. (a) Until the administrative director adopts medical
4 treatment utilization guidelines governing compound medication,
5 a compound medication shall be covered only if there is prior
6 authorization for it as medically necessary based on a
7 determination of all of the following:

8 (1) All active ingredients in the compound medication are
9 medications that have been approved by the federal Food and
10 Drug Administration (FDA).

11 (2) The compound medication is not a copy or substitute for an
12 available FDA-approved product.

13 (3) The safety and effectiveness of use of the compound
14 medication for the prescribed indication is supported by
15 FDA-approval or adequate medical and scientific research.

16 (4) FDA-approved alternatives to the compound medication
17 have been tried with therapeutic failure or patient intolerance.

18 (b) The maximum allowance for the compound medication shall
19 not exceed the sum of the amounts that would be allowed for the
20 ingredient costs and dispensing fee under regulations adopted
21 pursuant to Section 5307.1.

22 (c) No fee shall be allowed for any compound medication unless
23 the initial billing for that compound medication includes all
24 information necessary for calculation of the fee pursuant to this
25 section and regulations adopted by the administrative director.

26 ~~SECTION 1. Section 11629.79 of the Insurance Code is~~
27 ~~amended to read:~~

28 ~~11629.79. (a) The program for the County of Los Angeles and~~
29 ~~the City and County of San Francisco is authorized to commence~~
30 ~~operations on January 1, 2000, but shall be fully operational no~~
31 ~~later than July 1, 2000.~~

32 ~~(b) To this end, the commissioner, in consultation with the~~
33 ~~California Automobile Assigned Risk Plan, shall adopt regulations~~

1 to implement the provisions of this article within 60 days of its
2 effective date.

3 (e) ~~The program for the Counties of Alameda, Fresno, Orange,~~
4 ~~Riverside, San Bernardino, and San Diego shall commence~~
5 ~~operations on April 1, 2006, and shall be made operational in all~~
6 ~~other counties of California according to the discretion of the~~
7 ~~commissioner. The commissioner, in consultation with the~~
8 ~~California Automobile Assigned Risk Plan, shall adopt regulations~~
9 ~~to implement the expansion of the program to these counties.~~

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